IMPACT for Energy Act

A bipartisan and bicameral bill establishing a foundation to drive private-public partnerships in the energy sector and commercialize 21st century energy technologies

Background

Research and development is essential for driving innovation and accounts for nearly 7% of real GDP growth.[1] However, recent declines in research funding severely jeopardizes U.S. economic competitiveness. For example, from 2008 to 2013, venture capital funding in energy startups declined by 60% and resulted in a 68% decline in startups. Unlike other sectors, the energy sector has several unique challenges to innovation including requiring high capital needs, having long development times, overcoming incumbent technologies, and operating within a shifting regulatory environment.

Addressing these challenges will require partnerships with government, industry, startups, and funding organizations. A foundation would serve as the ideal framework to organize, connect, and lead such a diverse group of partners. Foundations at the National Institutes of Health, the Centers for Disease Control and Prevention, and the U.S. Department of Agriculture have all demonstrated that they can raise tens of millions of private sector dollars towards cutting-edge research and innovation. These foundations complement and enhance the agency's mission and enable new functions and services. Now is the time to set forth such a foundation in the interest of the DOE and energy sector research commercialization.

> ***"The creation of a DOE Foundation will strengthen our R&D system by leveraging additional funding sources as well as new public private partnership models to accelerate the commercialization of new technology into the market."***
>
> -Jetta Wong
> Former Director of Technology Transitions, Department of Energy

The IMPACT for Energy Act

This bill will establish a nonprofit foundation that will engage with the private sector to raise funds that support the creation, development, and commercialization of innovative technologies that address tomorrow's energy challenges. Functions of the foundation will include—

- **Increasing access to private sector funding.** As a 501(c)(3), the Foundation will have the flexibility to engage with various private sector sources for funds and attract new non-traditional partners.
- **Accelerating commercialization.** The Foundation will facilitate public-private partnerships to commercialize research and technology as well as administer prize competitions that engage the private sector to invest in commercial solutions to big problems.
- **Convening thought-leaders.** The Foundation will organize events, briefings, and symposia to create a neutral space for partners to share ideas and engage the public.
- **Training tomorrow's workforce**. The Foundation will support education and training of new researchers in energy through awards, grants, and fellowships.

[1] https://www.nsf.gov/news/news_summ.jsp?cntn_id=110139

The Energy Landscape

- **Rising foreign competition.** Over the last decade, federal funding for R&D has declined as a percentage of GDP while competitors like China have dramatically ramped up their own R&D funding, which is set to outpace the U.S. by 2026.[2]
- **Strong source of jobs**. The traditional energy sector employs over 4.2 million workers and saw 5% job growth in 2016, compared to around 2% nationally. New energy markets like energy efficiency accounted for 2.2 million jobs have seen even faster job growth at 7%.[3]
- **Complex industry challenges**. Viable energy solutions involve multiple partners in government, industry and academia. The pace and scale of these projects require partnerships between public and private entities to navigate all stages of the innovation pipeline.
- **Increasing global collaboration.** Several global initiatives are driving countries around the world to increase R&D spending in clean energy. This is complemented by private sector investments, like the Breakthrough Energy Coalition, which has announced $1 billion in patient venture funding.

Based on a Proven Model

FNIH
Foundation for the National Institutes of Health

Foundation for the NIH: Raised $1+ billion since its inception in 1990. Leveraged $55 million in private funding over 5 years for Cancer Moonshot.

WELLS FARGO

NREL National Renewable Energy Laboratory
Innovation for Our Future

NREL & Wells Fargo Foundation: 5-year, $10 million grant from the Wells Fargo Foundation to help develop energy efficient technologies for commercial buildings.

Endorsements

Alliance to Save Energy, Association of American Universities, Association of Public and Land-grant Universities, Bipartisan Policy Center, Carbon180, Center for Climate and Energy Solutions, Clean Air Task Force, GridWise Alliance, Information Technology and Innovation Foundation, Nuclear Energy Institute, The United States Nuclear Industry Council, Third Way, and University City Science Center.

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[2] https://www.nist.gov/sites/default/files/documents/mep/data/GLobal2014funding.pdf
[3] https://www.energy.gov/sites/prod/files/2017/01/f34/2017%20US%20Energy%20and%20Jobs%20Report_0.pdf